



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 14-140

December 11, 2014

Investigation by the Department of Public Utilities on its own Motion into Initiatives to Improve the Retail Electric Competitive Supply Market.

VOTE AND ORDER OPENING INVESTIGATION

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I. INTRODUCTION

In 1997, the Commonwealth enacted legislation that restructured the provision of electric service to customers in Massachusetts and introduced competition into the supply component of retail electric service.¹ An Act Relative to Restructuring the Electric Utility Industry in the Commonwealth, Regulating the Provision of Electricity and Other Services, and Promoting Enhanced Consumer Protection Therein, St. 1997, c. 164, § 37. In this investigation, the Department of Public Utilities (“Department”) proposes the following initiatives to enhance the value that the retail electric competitive supply market provides to customers, particularly residential and small commercial and industrial (“C&I”) customers, by: (1) developing a “shopping for competitive supply” website (Section III, below); (2) revising the existing information disclosure label (Section IV, below); (3) eliminating the basic service bill recalculation provision for residential and small C&I customers (Section V, below); (4) establishing reporting requirements for door-to-door marketing (Section VI, below); and (5) establishing reporting requirements and rules for the assignment of customers to another competitive supplier (Section VII, below). These initiatives are intended to: (1) provide customers with information regarding competitive supply products that is accurate, transparent, and understandable; and (2) improve customer protections related to the marketing and delivery of competitive suppliers’ product offerings. The Department solicits stakeholder input on these proposed initiatives (Section VIII, below).

¹ Electric service consists of a supply component (i.e., the electricity), a delivery component (i.e., the transportation of electricity over transmission and distribution facilities), and a customer service component (i.e., metering and billing).

II. BACKGROUND OF INVESTIGATION

Electric restructuring gives customers the choice to receive the supply component of their electric service from their electric distribution company or from a third-party competitive supplier. For customers who do not choose a competitive supplier, distribution companies must provide Department-regulated supply service (i.e., basic service). A robust competitive electric supply market has yet to develop for residential and small C&I customers in Massachusetts, as evidenced by the fact that, to date, only approximately 15 percent of residential customers and 25 percent of small C&I customers have switched to competitive supply.² However, we expect that the Department's recent Order addressing purchase of receivables,³ as well as recent increases in basic service rates,⁴ will result, in the relatively near-term, in increased activity in the competitive supply market.⁵

² This contrasts with the competitive supply market for medium and large C&I customers, for which more than 40 percent and 75 percent, respectively, are served by competitive supply (see <http://www.mass.gov/eea/grants-and-tech-assistance/guidance-technical-assistance/agencies-and-divisions/doer/electric-customer-migration-data.html>).

³ On March 28, 2014, the Department issued its Order in Investigation Regarding Purchase of Receivables, D.P.U. 10-53-C/D/E (March 28, 2014). Under a purchase of receivables program, a distribution company purchases the accounts receivables of competitive suppliers operating in the distribution company's service territory. Purchase of receivables programs are intended to reduce the barriers that competitive suppliers face in entering the competitive retail market, thereby increasing the number of market participants and enhancing retail competition. D.P.U. 10-53-C/D/E at 4.

⁴ See Massachusetts Electric Company and Nantucket Electric Company Basic Service Rates, D.P.U. 14-BSF-D3-A (November 6, 2014).

⁵ In addition, on November 5, 2014, the Department issued its Order Adopting Policy Framework For Time Varying Rates, D.P.U. 14-04-C (November 5, 2014), which established a framework for adopting time varying rates for basic service customers. In that Order, the Department concluded that its framework will provide an opportunity for

In addition, we note that several states have either passed legislation or have had reports submitted to their respective public utility commissions that address problems related to marketing to residential customers and resulting customer confusion and complaints.⁶ Similar concerns regarding competitive supplier marketing have been articulated in Massachusetts, including complaints to the Department's Consumer Division. Against this backdrop, we conclude that it is appropriate to take steps that: (1) ensure that customers are provided with information regarding competitive supply products that is accurate, transparent, and understandable; and (2) improve the protections provided to customers related to the marketing and delivery of competitive suppliers' product offerings.

III. DEVELOPING A "SHOPPING FOR COMPETITIVE SUPPLY" WEBSITE

Currently, customers seeking information on competitive supply products must contact individual competitive suppliers by phone or by visiting each competitive supplier's website.

competitive suppliers to develop a variety of time varying rate products to help customers manage their electricity costs. D.P.U. 14-04-C at 3.

⁶ See: (1) Connecticut: An Act Concerning Electric Customer Consumer Protection, Public Act No. 14-75, June 3, 2014 (http://cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=2&which_year=2014&SUBMIT1.x=9&SUBMIT1.y=7&SUBMIT1=Normal); (2) Report by the Citizens Utility Board, The Illinois Electric Market, May 13, 2014 (http://www.citizensutilityboard.org/pdfs/NewsReleases/20140513_ElectricReport.pdf); (3) Resolution Urging The Adoption Of State Laws and Regulations to Provide Better Consumer Protections For Retail Energy Customers Who Are Being Solicited, or Have Entered Into Agreements, for Variable Rate Contracts with Competitive Energy Suppliers, National Association of State Utility Consumer Advocates Resolution 2014-01, June 2014 (<http://nasuca.org/event/2014-mid-year-meeting/>); and (4) Connecticut Public Utilities Regulatory Authority, Establishment of Rules for Electric Suppliers and Electric Distribution Companies Concerning Operations and Marketing in the Electric Retail Market, Docket No. 13-07-18a (November 5, 2014) (<http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/ad09a40e58850c2885257d87005b0216?OpenDocument>).

While the websites hosted by the Department and each electric distribution company include general business and licensing information about competitive suppliers, these websites do not include pricing and other relevant information about the products offered by competitive suppliers.⁷ As such, there is no simple way for customers to compare products offered by different competitive suppliers. In this proceeding, the Department will work with stakeholders to develop a website, which the Department intends to host, that allows customers to effectively and efficiently shop for competitive retail electric supply products. The Department identifies three website-related issues to resolve through this proceeding.

First, we seek input on the product-related information that the website should include to allow customers to sufficiently understand and compare the offered products. This includes information related to: (1) pricing (e.g., price, type of pricing structure, and term); (2) renewable energy characteristics (e.g., whether the product exceeds the Commonwealth's renewable portfolio standards and, if so, how); (3) applicable fees (e.g., for early termination); and (4) other product characteristics (e.g., introductory discounts).

Second, we seek input on the rules that will govern the operation of the website. This includes rules associated with the: (1) uniform presentation of product-related information to allow for the useful comparisons among products; (2) period of time that products will be available to customers; (3) information required from customers (e.g., distribution company service territory, rate class, monthly usage) to ensure eligibility to purchase certain products; and (4) order in which products will be listed. Finally, the Department seeks input on the design of website features, including: (1) how the product information should be displayed; and (2) the

⁷ See the Department's website at www.mass.gov/dpu/suppliersandbrokers.

options (e.g., filtering and sorting) provided to customers to allow them to effectively and efficiently compare products.

To optimize the usefulness of the website, the Department seeks to strike an appropriate balance between: (1) providing competitive suppliers the opportunity to list a broad range of products on the website; and (2) ensuring that the website presents product information to customers in a transparent and easily understood manner. The Department intends to build on best practices from states that have implemented a competitive supply website.⁸ Because we expect that stakeholders in this investigation will have used these websites, we look forward to learning from their experiences.

IV. REVISING THE INFORMATION DISCLOSURE LABELS

A. Introduction

In 1998, the Department promulgated regulations regarding information disclosure requirements that apply to competitive suppliers and distribution companies (as providers of basic service). 220 C.M.R § 11.06; see G.L. c. 164, §§ 1F(5) and (6). The purpose of these regulations is to ensure that customers are presented with consistent information by which to evaluate the electric supply services offered by these entities. 220 C.M.R § 11.06(1). The regulations require all suppliers to prepare information disclosure labels that include information on their products and services related to: (1) price and price variability;⁹ (2) customer service;

⁸ For example, Connecticut (<http://www.energizect.com/compare-energy-suppliers>), Pennsylvania, (<http://www.papowerswitch.com/shop-for-electricity>), and Texas (<http://www.powertochoose.org/en-us>).

⁹ In particular, the regulations require that disclosure labels include the average price per kilowatt-hour that customers will pay for specified monthly usage levels over the course of an annualized period. 220 C.M.R. § 11.06(2)(b).

(3) fuel source and air emissions; and (4) labor characteristics. 220 C.M.R § 11.06(2); see G.L. c. 164, §§ 1F(5) and (6). The regulations also require that all competitive suppliers distribute their labels to customers before initiation of service and on a quarterly basis thereafter. 220 C.M.R § 11.06(4). In this investigation, the Department initially focuses on the price-related component of the disclosure labels.¹⁰

B. Discussion

The Department recognizes that customers are responsible for understanding the terms of competitive supply service. We also recognize that customers will benefit from information disclosure labels that present information in a clear and understandable manner and that guard against customer confusion and dissatisfaction. In this proceeding, the Department seeks to identify revisions to the existing information disclosure labels that will improve the usefulness of the price-related information provided to customers (particularly to residential and small C&I customers). Our goal is to allow customers to make more informed decisions in purchasing electricity supply and to minimize customer confusion and dissatisfaction.

To facilitate discussion on this issue, the Department identifies the following four new types of information that the labels could provide for competitive supply products: (1) the term of the contract, and whether the contract terminates on a specific date or whether it requires the customer to take affirmative action to terminate the contract; (2) the pricing structures (e.g., fixed-price, variable-price), prices (to the extent known) in effect during the term of the contract, and the effective dates of each pricing structure; (3) the manner in which, and timing by which, customers are informed of upcoming changes in contract prices (if applicable); and (4) all

¹⁰ The Department will address the other components of the disclosure labels at a later date.

applicable fees (e.g., early termination fees). Finally, for competitive suppliers that offer variable-price products,¹¹ the Department will explore additional information that the labels could provide to allow customers to evaluate competitive suppliers' historical variable prices (e.g., price benchmarks that would allow customers to compare the variable prices with prevailing wholesale market prices at the time).

As we consider potential revisions to the existing labels, the Department seeks to strike an appropriate balance between (1) ensuring that the disclosure labels present product information to customers in a transparent and easily understood manner, and (2) avoiding placing overly burdensome requirements on competitive suppliers. In establishing this balance, the Department seeks to benefit from best practices in other states and the expertise gained by stakeholders through the implementation of disclosure labels in other states.¹²

V. ELIMINATING THE RECALCULATION OF BASIC SERVICE COSTS

A. Background

The Department established the pricing framework for basic service in Pricing and Procurement of Default Service, D.P.U. 99-60-A (2000) and D.P.U. 99-60-B (2000).¹³ We established two pricing options that would be available to basic service customers: (1) an option

¹¹ For the purpose of this discussion, the Department uses the term “variable-price product” to refer to those competitive supply products for which the price may change on a monthly (or even more frequent) basis. The price for these products may be set based on a specified market index or at the discretion of the competitive supplier.

¹² For example, Pennsylvania, (<http://www.pabulletin.com/secure/data/vol44/44-24/1246.html>) and (<http://www.puc.state.pa.us/pcdocs/1274215.docx>).

¹³ In 2000, when these Orders were issued, what is now called basic service was called default service. 220 C.M.R. § 11.02.

in which prices would remain constant for six-month periods (“fixed-price option”);¹⁴ and (2) an option in which prices would change monthly (“variable-price option”).¹⁵ D.P.U. 99-60-A at 6-7. By default, residential and small C&I customers are placed on the fixed-price option, but may elect the variable-price option. The Department stated that this “should minimize confusion on the part of these customers” because this type of price constancy is what customers historically have seen on their electric bills. D.P.U. 99-60-B at 7. In contrast, the Department determined that the default option for medium and large C&I customers would be the variable-price option, stating that “[c]ustomers in these categories typically are more informed than smaller customers with regard to both their energy usage and their competitive supply options.” D.P.U. 99-60-B at 8.

Rates for the variable-price option are based on the monthly bids submitted by basic service supply providers. The monthly bids, and thus the monthly rates, are generally expected to track wholesale market supply costs during the basic service pricing term. In contrast, rates for the fixed-price option, which are calculated as the weighted average of the monthly rates in effect during a basic service pricing term (see D.P.U. 99-60-A at 6-7), are, by design, intended to smooth out the variations in the monthly rates. Accordingly, in certain months of the term, it is expected that the fixed rate will exceed market prices (i.e., prices available in the wholesale supply market) and, in other months, that the fixed rate will be below market prices.

¹⁴ The Department later revised, to three months, the number of months for which basic service rates remain fixed for medium and large C&I customers. Pricing and Procurement of Default Service, D.P.U. 02-40-C at 18-25 (2000).

¹⁵ The Department distinguishes between (1) the basic service variable-price option discussed in this section, and (2) the variable-price products offered by competitive suppliers, as discussed in Section IV, above.

The Department established that customers taking basic service under the fixed-price option who leave basic service during a pricing term would have their basic service costs recalculated using the monthly prices that were in effect during each month that the customer received basic service. The Department stated that recalculating bills in this manner would ensure that basic service customers pay the full costs of providing the service for the period that the customers receive the service,¹⁶ thus addressing the concern that competitive suppliers may seek to “game the system” by shifting their customers to basic service during months when the basic service price is lower than prices available in the wholesale energy market.

D.P.U. 99-60-A at 8; D.P.U. 99-60-B at 10.¹⁷ See also Investigation by the Department of Telecommunications and Energy on its own Motion into the Provision of Default Service, D.T.E. 02-40-B at 7 (2003); NSTAR Electric Terms and Conditions for Distribution Service and Competitive Supplier, D.T.E. 05-84, at 15 (2006) (basic service is designed to be utilized as a last-resort service, and not used as an alternate competitive supply option).

B. Discussion

In establishing the bill recalculation requirement, the Department did not distinguish among customer classes. D.P.U. 99-60-B at 10. In this investigation, the Department proposes such a distinction; in particular, we propose to retain the bill recalculation requirement for

¹⁶ To the extent that a customer does not pay the full cost incurred by its electric distribution company in providing the customer with basic service, the electric distribution company recovers the difference through a charge that is applied uniformly to all of its distribution customers. Pricing and Procurement of Default Service, D.T.E. 99-60-C at 10-13 (2000).

¹⁷ The Department stated that “[r]endering a recalculated bill for costs caused, but not yet paid, during high-cost service months should eliminate any reason for competitive suppliers to promote seasonal migration to [basic] service during high cost months, as was witnessed in early 2000.” D.P.U. 99-60-B at 10 n.12.

medium and large C&I customers but eliminate the requirement for residential and small C&I customers.

The Department considers it appropriate to continue to apply the bill recalculation requirement to medium and large C&I customers for two reasons. First, as discussed above, medium and large C&I customers taking basic service are, by default, placed on the variable-price option but may request the fixed-price option. Maintaining the bill recalculation provision for these customers ensures that the decision to change their basic service pricing option is not motivated by the desire to game the system by taking inappropriate advantage of price differentials between fixed basic service rates and prices available in the competitive market. See D.P.U. 99-60-A at 8. Second, as a general rule, competitive suppliers typically market to these large-use customers on an individual basis, and may discuss with their customers how to “game the system” by taking advantage of the relationship between wholesale market prices and basic service rates.¹⁸ See D.P.U. 99-60-B at 10.

We note that neither of these rationales applies to residential and small C&I customers. First, these customers are automatically placed on the fixed-price option and must affirmatively request the variable-price option. In fact, because the supply prices that customers historically have seen on their electric bills have remained constant for periods of six months (or greater), it may be reasonable to assume that a large majority of residential and small C&I customers are unaware of the variable pricing option. See D.P.U. 99-60-B at 7. Second, competitive suppliers

¹⁸ As further protection against this type of practice, the Department has established limits on the ability of competitive suppliers to temporarily switch their customers to basic service when the prevailing market rate is higher than the basic service rates. See D.P.U. 05-84, at 16-18.

typically market to customers with low-usage levels (i.e., residential and small C&I customers) using a “mass-marketing” strategy (i.e., a general marketing campaign with standardized products, as opposed to marketing products tailored for individual customers). See Competitive Market Initiatives, D.P.U. 01-54-A at 10 (2001). Accordingly, it is unlikely that suppliers discuss with customers the potential benefits of “gaming the system” by strategically switching between competitive supply offerings and basic service to reduce their electric supply costs.

As such, the Department sees minimal, if any, benefits in continuing to apply the basic service bill recalculation provision to residential and small C&I customers. We are, however, concerned that continuing the bill recalculation practice may be a barrier to residential and small C&I customer participation in the competitive supply market. In particular, we are concerned that this practice could result in customer confusion and dissatisfaction because customers may perceive the bill recalculation charge, appearing on their electric bills, to be a penalty for leaving basic service and switching to a competitive supplier.¹⁹ On balance, the Department expects that the advantages of not applying the bill recalculation provision to residential and small C&I customers are outweighed by any disadvantages of continuing to doing so. As such, the Department proposes to eliminate the application of the bill recalculation provision to residential and small C&I customers.²⁰ Proposing such a change is consistent with our premise in D.P.U. 99-60-A, in which we stated that “[w]e anticipate that our policy on [basic] service will

¹⁹ As stated above, the bill recalculation provision was intended to ensure that basic service customers pay the full cost of the service provided. The Department notes, however, that depending on when a customer leaves basic service during a six-month pricing term, the bill recalculation provision can result in a credit or debit on the customer’s bill.

²⁰ If the Department decides to eliminate this practice, we would establish a tracking mechanism that would allow us and others to evaluate the cost impact of our decision.

evolve as the Department, interested parties, and customers gain experience, and as more information is available regarding both [basic] service and the competitive generation market. As such, the Department intends to review periodically the effectiveness of our policies and to make necessary modifications as circumstances dictate.” D.P.U. 99-60-A at 6.

VI. DOOR-TO-DOOR MARKETING

As discussed in Section II, above, the Department anticipates an increase in marketing activities by competitive suppliers. While any type of marketing activity has the potential to create customer confusion and dissatisfaction, the Department is particularly concerned about the confusion and dissatisfaction that may result from competitive suppliers’ door-to-door marketing to residential customers. The Department’s concern is due to the face-to-face nature of door-to-door marketing, resulting in customers’ feeling pressure to make immediate purchasing decisions. In addition, the Department has received complaints from town officials regarding certain door-to-door marketing activities. Accordingly, the Department proposes that competitive suppliers who intend to market door-to-door to residential customers be required to provide notice to the Department prior to initiating a door-to-door campaign, and keep the Department apprised of any customer complaints received during the marketing campaign.

First, the Department proposes that the competitive supplier must file a “Notice of Door-to-Door Marketing” with the Department no later than seven days prior to the start of the campaign. The competitive supplier must include the following information in the Notice of Door-to-Door Marketing:

1. The names of each city and town in which the door-to-door marketing will occur, and the dates on which the marketing campaign will begin and end;

2. A list of all permits and licenses required by each identified city and town to conduct door-to-door marketing;²¹
3. Certification that the competitive supplier has obtained the required permits and licenses;
4. If the competitive supplier cannot obtain the permits and licenses at the time it files the Notice of Door-to-Door Marketing, the competitive supplier must provide (1) the reason(s) why it presently is unable to obtain the permits and licenses, (2) the date(s) on which it intends to obtain the permits and licenses, and (3) a statement certifying that it will obtain such permits and licenses prior to starting its marketing campaign;
5. The number of people that will be conducting door-to-door marketing;
6. Certification that the competitive supplier has conducted a background check, consistent with accepted business practice, for each person who will be conducting door-to-door marketing; and
7. Contact information (including nights and weekends) for the person who is overseeing the door-to-door marketing campaign.

Competitive suppliers shall submit this information to the Department in the format shown in Attachment 1, and provide a copy of the Notice of Door-to-Door Marketing to each city and town in which the door-to-door marketing will occur.

Second, the Department proposes that on a weekly basis, throughout the course of the door-to-door marketing campaign, the competitive supplier submit to the Department customer complaint data related to the door-to-door marketing campaign. Competitive suppliers shall submit this information in the format shown in Attachment 2.

²¹ For example, local cities and towns may issue door-to-door solicitation rules (1) requiring the seller to register with a town official, and (2) listing restrictions and exemptions. Examples are as follows: Belmont General By-laws, Article 30 (solicitation permit valid for maximum of 90 days); Lowell Ordinances, Chapter 125 (requires a \$1000 surety bond); and Waltham Ordinances, Chapter 8.40 (applicants must undergo a Criminal Offender Registry Information check, may only solicit between 9:00 a.m. and 8:00 p.m., and town maintains a “do not solicit” list similar to the “do not call” list). Additionally, the Attorney General of the Commonwealth has promulgated door-to-door marketing regulations at 940 C.M.R. § 3.09.

VII. ASSIGNMENT OF CUSTOMERS TO ANOTHER COMPETITIVE SUPPLIER

Over the last year, the Department has received notification from several competitive suppliers that they intend to assign their customer contracts to another competitive supplier.²²

The Department anticipates that similar assignments will occur as activities in the competitive supply market increase (Section II, above). To ensure that the Department, customers, and other interested parties are provided with advanced notice and are well informed of these assignments, the Department proposes that a competitive supplier that seeks to assign customer contracts to another competitive supplier be required to perform the following actions.

First, the Department proposes that the competitive supplier file a “Notice of Assignment” with the Department no later than 60 days before the expected effective date of the assignment. The competitive supplier must include the following information in the Notice of Assignment:

1. Documentation that its customer contracts allow for customer assignment;
2. The number of customers that the competitive supplier seeks to transfer, by customer type (*i.e.*, residential or commercial and industrial), and by distribution company service territory;
3. The date(s) of the intended assignment;
4. The name and Massachusetts license number of the competitive supplier to which the contracts would be assigned;
5. A statement that the assignment will maintain all contractual terms and conditions, including pricing, through the term of the contract;
6. The number of customers that have contracts that contain either an early termination fee provision or an automatic renewal provision;

²² An assignment of a group of customers from one competitive supplier to another requires the original competitive supplier to transfer the customers’ contracts to the new competitive supplier. As a result, the new competitive supplier assumes the terms and conditions of the original contracts, and provides the agreed-upon supply service to the customers. Such assignment may occur, for example, when the original competitive supplier leaves the retail electric market or enters bankruptcy.

7. A copy of the Notice of Assignment letter and envelope that the competitive supplier intends to send to affected customers;²³ and
8. The reason for the assignment, and whether (and, if so, when) the competitive supplier intends to withdraw its license with the Department.

Competitive suppliers shall submit this information in the format shown in Attachment 4. A competitive supplier that seeks to assign its customer contracts must send its notification letter to customers at least 30 days prior to the intended transfer date, both by United States mail and by e-mail (if the competitive supplier has the customer's e-mail address).

In addition, for customers whose contracts include an early termination fee provision, the Department proposes that the competitive supplier to which the contracts are assigned agree to waive that provision, and allow these transferred customers to cancel their contract at any time with no fee during the term of the contract.

Finally, for customers whose contracts include an automatic renewal provision, the Department proposes that the competitive supplier to which the contracts are assigned must send a notification letter to the customers no later than 30 days prior to the date of the automatic renewal. The "Automatic Renewal Notification" letter must (1) inform the customer of the

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Attachment 3 provides draft language for (1) the Notice of Assignment letter, and (2) the envelope in which the letter will be sent (to ensure that customers are aware that the enclosed letter contains important information from their competitive supplier regarding their electric account). Once the Department finalizes the language for the Notice of Assignment letter and envelope, competitive suppliers who wish to issue revised Notice of Assignment letters and/or envelopes must identify all proposed revisions and state the reasons for the revisions, and must obtain approval from the Department's Director of the Consumer Division.

provision of their contract that permits automatic renewal, and (2) describe the prices (and pricing structure) that will be in effect during the renewal term.²⁴

VIII. PUBLIC PARTICIPATION IN THIS INVESTIGATION

The Department invites all interested persons to participate in this investigation into initiatives to improve the retail electric competitive supply market. With respect to the “shopping for competitive supply” website (Section III, above), and revisions to the information disclosure label, (Section IV, above) the Department will convene a technical session, on January 7, 2014, at 10:00 a.m. The Department will distribute an agenda before the technical session. Following the technical session, the Department will determine the appropriate next steps, including soliciting comments.

With respect to the proposals to (1) eliminate the bill recalculation requirement for residential and small C&I customers (Section V, above), (2) establish requirements for door-to-door marketing (Section VI, above) and (3) establish requirements for assignment of customer contracts (Section VII, above), the Department seeks written comments. The Department anticipates that a number of persons will be interested in this proceeding. Therefore, the Department encourages interested persons to present consensus positions and submit comments jointly, when possible. All comments must be accompanied by an executive summary. One original and five copies of all comments should be filed with Mark D. Marini, Secretary, Department of Public Utilities, One South Station - 5th Floor, Boston,

²⁴ Attachment 5 provides draft language for the automatic renewal notification letter. Once the Department finalizes the language of the Automatic Renewal Notification, competitive suppliers who wish to issue a revised Automatic Renewal Notification letter must first obtain approval of the revision from the Department’s Director of the Consumer Division.

Massachusetts 02110.²⁵ Written comments on our proposal to eliminate the bill recalculation requirement must be filed no later than the close of business on January 14, 2015. Written comments on our proposals regarding door-to-door solicitation and assignment of customer contracts must be filed no later than the close of business on January 28, 2015. The Department will determine the appropriate next steps after reviewing the initial comments.

²⁵ All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dpu.efiling@state.ma.us and the hearing officer jeffrey.leupold@state.ma.us or (2) on a CD-ROM. The text of the e-mail or CD-ROM label must specify: (1) the docket number of the proceeding (D.P.U. 14-140); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: <http://www.mass.gov/dpu>.

IX. ORDER

Accordingly, the Department

VOTES: To open an investigation into initiatives to improve the retail electric competitive supply market; and it is

ORDERED: That the Secretary of the Department shall publish notice of this investigation in a statewide paper of daily circulation within the Commonwealth; and it is

FURTHER ORDERED: That the Secretary of the Department shall serve a copy of this Order upon all persons on the Department's official service list.

By Order of the Department,

/s/
Ann G. Berwick, Chair

/s/
Jolette A. Westbrook, Commissioner

/s/
Kate McKeever, Commissioner

Attachment 1**“Notice of Door-to-Door Marketing” Filing Template**

1. Towns where, and dates during which, door-to-door marketing campaign will occur:

Town Name	Start Date	End Date
#1		
#2		
#3		

2. List of required permits and licenses:

Town #1	

Town #2	

Town #3	

3. Provide a statement certifying that the competitive supplier has obtained all permits and licenses listed.
4. If the competitive supplier has yet to obtain the permits and licenses at the time it files the Notice of Door-to-Door Marketing, the competitive supplier must provide: (1) the reason(s) why it presently is unable to obtain the permits and licenses; (2) the date(s) on which it intends to obtain them; and (3) a statement certifying that it will obtain such permits and licenses prior to starting its door-to-door marketing campaign.
5. Door-to-Door Marketer Information:

Town Name	Number of Marketers
#1	
#2	
#3	

6. Provide a statement certifying that the competitive supplier has conducted a background check, consistent with accepted business practice, for each person who will be conducting door-to-door marketing.
7. Contact Information:

Name	Day Telephone Number	Evening and Weekend Telephone Number

Attachment 2**Door-to-Door Marketing Complaint Data**

Start date of campaign	
End date of campaign	

Week Beginning	Campaign Activity	
	# customers contacted through campaign	# customers enrolled through campaign
Date (week #1)		
Date (week #2)		
Total		

Customer Complaints					
Week Beginning	Aggressive behavior by Marketer	Misrepresentation (or non-disclosure) of Pricing	Unable to cancel enrollment during 3-day rescission period	Unauthorized enrollment (<u>i.e.</u> , slamming)	Other

If Other, describe the nature of the complaint:

Attachment 3

Draft Language for Notice of Assignment Letter:

«Company Name» is writing to inform you about an upcoming change to your electricity supply account. As of «Date», we will no longer be providing your electricity supply service. On that date, we will transfer your electricity supply service to «New Company Name», another competitive supplier, as provided in our agreement with you. We want to assure you that this transfer will not interrupt your electricity service, and that there will be no changes in the price, terms or conditions of electricity supply service set forth in your agreement as a result of the transfer.

No action is required by you for this transfer to occur. Once the transfer occurs, «New Company Name» will assume and perform the electricity supplier obligations previously performed by «Company Name». Starting «Date», all customer inquiries should be made to: «New Company Contact Information».

You may decline to be transferred to «New Company Name», by calling them at «New Company Phone Number». If you decline, you will go back to Basic Service with your local distribution company. You will not be assessed a fee if you decline to be transferred to «New Company Name», or if you terminate service with Company Phone Number.

If you have any questions about this transfer, please contact «Company Name» at «Company Phone Number».

Draft Language for Notice of Assignment Envelope:

Open Immediately – Important Information About Your Electric Account

Attachment 4**“Notice of Assignment” Filing Template**

1. Customer Contract Language Regarding Assignments:
 - a. Provide, as Appendix 1 to this Notice of Assignment, copies of the customer contracts affected by the assignment.
 - b. Provide here the language in the contracts that explicitly allow for assignment of these contracts to another competitive supplier (highlight where this language is located in the contracts included in Appendix 1).
 - c. If the contracts do not explicitly allow for assignment, state why such assignment is allowed.

2. Number of Customers to be Transferred:

	Residential	C&I	Total
NSTAR			
National Grid			
WMECo			
Fitchburg			
Total			

3. Dates of Transfers:

	Start Date	End Date
NSTAR		
National Grid		
WMECo		
Fitchburg		
Total		

4. Competitive Supplier to Which Contracts will be Assigned:

Name of Supplier	MA License Number

5. Provide a statement certifying that the assignment will maintain all contractual terms and conditions, including pricing, through the term of the contract.

6. Number of Customers with Early Cancellation Fees or Automatic Renewal Provisions:

	Residential	C&I	Total
Early Cancellation Fee			
Automatic Renewal			

7. Customer Notice of Assignment:

- a. Provide, as Appendix 2 to this Notice of Assignment, a copy of the Notice of Assignment letter to be sent to customers.
 - b. Provide the reasons for revisions made to the Department's model Notice of Assignment letter (see Attachment 3), if applicable.
8. State (a) the reason for the assignment, and (b) whether (and, if so, when) the competitive supplier intends to withdraw its license with the Department.

Attachment 5

Draft Language for Automatic Renewal Notification Letter:

«Company Name» is writing to inform you about an upcoming change to your electricity supply account. On «Date», your electricity supply service was transferred from «Old Company Name» to «Company Name». The electricity supply agreement into which you entered with «Old Company Name» will terminate on «Date». The agreement includes an automatic renewal provision which states that «Language from Agreement».

Consistent with this provision, «Company Name» will renew the agreement on «Date», and will continue to provide your electricity supply services. No action is required by you for the renewal to occur. Your current rate of «xx cents per kilowatt-hour» will be replaced by a rate of «*[if fixed rate:] XX cents per kilowatt-hour, which which will remain fixed through «Date» [or if variable rate:] a variable rate that «Company Name» will determine on a monthly basis – we will notify you of the initial variable rate no later than «Date»*».

You may decline to have the agreement automatically renewed by calling us at «Company Phone Number». If you decline, you will go back to Basic Service with your local distribution company. You will not be assessed a fee if you decline to be renewed or if you terminate service with us.

If you have any questions, please contact us at «Company Phone Number».